

U.S. Serial No. 09/805,522
Amendment dated December 28, 2006
Response to Office Action mailed June 28, 2006

This listing of claims replaces all previous versions and listings of claims.

Listing of Claims:

1. (Amended) A method of a lending institution facilitating funding of a pool of loans, with one or more insurers, the pool of loans having associated therewith a first rating or no rating, an aggregate amount and a first loss, the method comprising:
the lending institution assuming risk of the first loss by providing, by a lending institution, a first loss financial guaranty, the first loss being a percentage of the aggregate amount of the pool of loans;
to an insurance company as a first loss protection for the loan as an enticement to the insurance company to insure the loan.
transferring the loans to an entity that secures insurance for the loans from the insurers, thereby transferring risk of loss other than the first loss to the insurers, the entity having a second rating greater than the first rating or no rating and securing proceeds based on the pool of loans and its second rating;
the proceeds in an amount greater than that which the lending institution could secure due to the second rating being greater than the first rating or no rating;
the entity providing proceeds to the lending institution in return for transferring the loans to the entity; and
the lending institution funding loans using the proceeds.

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2. (Amended) A method as recited by claim 1, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of the lender.

3. (Amended) A method as recited by claim 1, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of a third party.

4. (Cancelled) A method as recited by claim 1, wherein the loan comprises a pool of loans.

5. (Amended) A method as recited by claim 1, wherein the entity that secures insurance for the loans from the insurers ~~loan is transferred by the lending institution to an entity that~~ issues a note to obtain funding for the loan, and wherein the note is insured by the insurance company.

6. (Original) A method as recited by claim 5, wherein the entity comprises a bankruptcy-remote entity and a trust.

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7. (Amended) A method as recited by claim 5, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of the lender.

8. (Amended) A method as recited by claim 5, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of a third party.

9-20. (Cancelled)

21. (New) A method comprising:

an entity receiving a pool of loans from a lending institution, the lending institution having a first rating or no rating;

obtaining insurance for the pool of loans from an insurer, the insurer having a second rating greater than the first rating or no rating and securing reinsurance for a first loss on the pool of loans from the lending institution;

issuing a financial instrument based on the pool of loans and the insurer's second rating;

receiving proceeds for the financial instrument based on the insurer's second rating; and

providing proceeds to the lending institution in return for the pool of loans, the lending institution thereby funding loans.

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22. (New) A method as recited by claim 20, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of the lender.

23. (New) A method as recited by claim 20, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of a third party.

24. (New) A method as recited by claim 23, wherein the entity receiving a pool of loans from a lending institution issues a note to obtain funding for the loan, and wherein the note is insured by the insurance company.

25. (New) A method as recited by claim 24, wherein the entity receiving a pool of loans from a lending institution comprises a bankruptcy-remote entity and a trust.

26. (New) A method as recited by claim 23, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of the lender.